

## CHAPTER SIX

IMPACT OF SOCIAL SECURITY-CUM-LABOUR WELFARE  
MEASURES ON ABSENTEEISM

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## 6.1 INTRODUCTION

Absenteeism, in the present day context, has become a universal phenomenon. This chapter incorporates the discussion on the definition of absenteeism, formula for evolving the rate of absenteeism, causes, effects and remedial measures to curb absenteeism. It also covers in its lap the nexus between Social Security-cum-Labour Welfare Measures and absenteeism.

Further the discussion is followed by the analysis of data displaying the impact of these measures on the rate of absenteeism in K.S.R.T.C., Regional Workshops, Hubli. These results have been deduced based on the secondary data collected. The discussion on this aspect has come to a close with a suitable conclusion.

## 6.2 NEXUS BETWEEN SOCIAL SECURITY-CUM-LABOUR WELFARE MEASURES AND ABSENTEEISM

The problem of labour absenteeism is not merely a problem associated with the earnings of the worker. In fact, it is a ticklish problem having its impact on the quantity and quality of output, cost of production, productivity of labour and the profitability of a venture. It is, therefore, that the problem of absenteeism has been engaging the attention of several scholastic personalities and immense literature has been flowing from their pens.

Absenteeism has been defined differently by different thinkers. J.D. Hackett<sup>1</sup> defines it as -

a temporary cessation of work for not less than one whole working day on the initiative of the worker when his presence is expected by the employer.

According to Mr Moorthy:

Absenteeism is used to describe the situation where the worker or employee is not present on the job for eight hours or any other length of time accepted to be normal working day, when he is expected to be on the job.<sup>2</sup>

These definitions help to isolate absenteeism proper from improper or feign absenteeism. For example, the worker is not expected to work on public holidays. Hence failure to attend to work on these days need not be treated as absenteeism.

In the light of fore-detailed definitions, absenteeism can be defined as the failure of employees to report on duty without intimating the authorities earlier. The rate of absenteeism is defined as the total manshifts lost because of absences as a percentage of the total number of manshifts scheduled.

The formula for calculating absenteeism is -

$$\text{Absenteeism Rate} = \frac{\text{Manshifts lost due to absence}}{\text{Manshifts scheduled to work}} \times 100$$

Alternatively, the rate of absenteeism is calculated on the basis of the number of persons scheduled to work and the number actually present. To include a worker in the list of those scheduled to work, the following conditions must be satisfied:

- 1 Work for the worker is available with the employer.
- 2 The worker is aware of this fact.
- 3 The employer has no reason to expect, well in advance, that the worker will not be available for work at the specified time.

### Causes

There are several causes responsible for absenteeism. Amongst these, the foremost reasons are as follows:

- 1 Sickness of the worker or of any family member due to poor caloric consumption, unhygienic living conditions, unhealthy working environment in the venture, etc.
- 2 Alcoholism and gambling.
- 3 Mishaps or hazardous working conditions.
- 4 Inconveniences and discomfort of night-shift.
- 5 Lack of training and illiteracy.
- 6 Frequent urge for rural exodus particularly during harvesting season.
- 7 Other causes like, - job dis-satisfaction, lack of conveyance facilities, etc.
- 8 Prof. S.A. Sherlekar<sup>1</sup> enumerates that:
  - (i) 10% to 20% of the total number of employees are absence-prone.

- (ii) Nearly 50% of absences are due to illness and sickness
- (iii) 22 days per year absenteeism is attributed to alcoholism.

### Effects

Absenteeism has its evil effects on production, productivity and profitability of a concern. They have been enumerated as under:

- 1 There will be sufferage of output. The absence of key worker like, - machine operator, skilled labour, leads to evil effects on the whole production process. The fixation of substitute workers may not yield desirable output.
- 2 The quality of output also suffers. It is especially more proven in concerns where there is high degree of division of labour.
- 3 Employers have to keep additional set of workers or badli workers. As a result the cost of production increases.
- 4 The installed productive capacities may not be fully utilised.
- 5 Frequent and long term absences impair the efficiency of workers.
- 6 The employee may receive less wages especially in concerns where the system is payment against work.
- 7 The profitability of the venture also shrinks down.

## REMEDIES

The foregoing discussion has revealed the fact that nearly 50 per cent of absences and about 22 days per year absenteeism are caused due to alcoholism, therefore, extension of Social Security and Labour Welfare Programmes would greatly reduce the rate of absenteeism. These measures include:

- 1 Sound and healthy living and working facilities;
- 2 Extension of adequate medical facilities;
- 3 Provision of wage and non-wage incentives like, - bonus, profit-sharing, regularity or productivity-linked incentives, promotions, etc.;
- 4 Workers' Education and Adult Education programmes;
- 5 Workers' participation in management;
- 6 Introduction and payment of minimum wages;
- 7 Provision of sports and cultural activities.

In fine, an enlightened management can greatly reduce the problem of absenteeism by taking a sympathetic view of the worker's genuine problems associated with health, sanitation, housing, conveyance, safety etc.. It should charter a problem-solving approach to arrest regularity-retarding factors.

### 6.3

### RESULTS OF DATA ANALYSIS

As has been discussed earlier Social Security and Welfare Measures help in arresting the problem of absenteeism. In the light of

secondary data let us explore:

- 1 the impact of expenditure on Social Security on the number of accidents, mandays lost and the rate of absenteeism; and
- 2 the impact of expenditure in Labour Welfare activities on absenteeism in the Regional Workshops, Hubli.

### 6:3.1 IMPACT OF EXPENDITURE ON SOCIAL SECURITY ON ACCIDENT RATE, MANDAYS LOST AND ABSENTEEISM IN R.W.H.

The following table presents the data relating to the expenditures on Social Security measures and the number of accidents, mandays lost and absenteeism in the Regional Workshops, Hubli.

Table No. 6.1

Expenditure on Social Security, Number of Accidents, Mandays Lost and Absenteeism in R.W.H.

Year	Expenditure on social (Amt.in Rs.)	Number of accidents	Mandays Lost	Absenteeism in Percent
1980-81	5,24,754.48	254	5,071	23.86
1981-82	5,30,717.34	232	3,418	20.98
1982-83	8,53,987.71	272	3,257	19.72
1983-84	14,25,708.56	182	2,763	19.49
1984-85	42,82,735.12	114	1,788	19.27
1985-86	38,18,816.76	127	1,606	18.18
1986-87	36,05,317.42	75	1,047	18.55
1987-88	33,79,583.12	62	912	18.86

Source: Register of Accidents and other Official Records, R.W.H.



A close examination of the foregoing table clearly depicts the fact that over the years there has been a big leap in the expenditure on social security from Rs. 5.2 lakhs in 1980-81 to Rs. 42.8 lakhs in 1984-85 and Rs. 33.8 lakhs during 1987-88. At the outset, it appears that the amount spent in 1984-85 is more than that of 1987-88 but when we take account of number of workers covered during various years like,-

1980-81	...	1,403.5*
1984-85	...	1,375.5
1987-88	...	1,147.0

there has been a definite increase in the expenditure on social security, in the Regional Workshops, Hubli, over the years.

Increasing expenditures on provision of safety guards, first aid, proper lighting, medical aid, workmen's compensation, gratuity, etc. have not merely arrested the number of accidents from 254 in 1980-81 to 62 in 1987-88 but also there has been substantial decline in the man-days lost from 5,071 to 912 during the same years. The accidents reported are however minor. There was not a single major accident reported from 1980-81 to 1987-88.

It can be seen from the above data that the rate of absenteeism has continuously declined from 23.86 per cent in 1980-81 to 19.27 per cent during 1984-85. Although there has been some increase in it during the last three years, the increase has been only marginal. In fact it seems to have settled around 18 per cent in the last three years.

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\* Number of workers calculated for two consecutive calendar years for arriving at number of workers for financial years by using arithmetic mean.

## CONCLUSION

Conclusively, the findings of the study built around secondary data clearly substantiate our hypothesis that increasing expenditure on social security measures results into a perceptible decline in the number of accidents, mandays lost and the rate of absenteeism. It also justifies close nexus between social security measures and absenteeism.

### 6:3.2 IMPACT OF EXPENDITURE IN LABOUR WELFARE ACTIVITIES ON ABSENTEEISM IN R.W.H.

The following table presents the data relating to the expenditures on Labour Welfare Activities and the rate of absenteeism in the Regional Workshops, Hubli.

Table No. 6.2  
Expenditure in Labour Welfare Activities & Absenteeism in R.W.H.

<u>Year</u>	<u>Expenditure on Labour Welfare Activities</u> (Amount in Rs.)	<u>Absenteeism in per cent</u>
1980-81	29,33,223.90	23.86
1981-82	31,31,699.07	20.98
1982-83	44,74,123.75	19.72
1983-84	49,53,705.30	19.49
1984-85	46,65,498.00	19.27
1985-86	55,98,840.00	18.18
1986-87	67,86,125.00	18.55
1987-88	65,07,408.00	18.86

Source: Same as in Table 6.1

A close study of the above table distinctly reflects the fact that

the expenditures on Labour Welfare programmes have increased enormously over the years from 1980-81 to 1987-88. The rate of absenteeism has continuously declined upto 1984-85. During 1985-86 it is the lowest to the extent of 18.18 per cent. Although there has been little increase during last two years, the increase is quite marginal. The data for last three years indicates stagnancy in the rate of absenteeism around 18 per cent.

The above table and the conclusions thereof substantiate our contention that if the management of any organisation is alive and sensitive to the welfare activities of its labour and if it is increasing expenditure on launching labour welfare programmes, the attitudes of the labour would be formed in such a way that they will tend to be more attentive to their work. The rate of absenteeism, too, will tend to decline. Ultimately, the rate of absenteeism may reach a certain lowest level and tend to be stagnant. This point of stagnancy perhaps could be considered as the lowest affordable rate of absenteeism that the organization should withstand.

#### 6.4 CONCLUSION

The study reflecting the Impact of Social Security-cum-Labour Welfare Measures on Absenteeism brings home the following conclusions:

- \* Provision of adequate social security measures and the expenditure thereon help the organization in minimising the chances and the occurrences of accidents in a venture. They are a potential source of curbing the consequent mandays loss, too. The rate of absenteeism can be minimised by increasing the expenditure on these measures.

- \* Extension of welfare amenities and the increasing expenditure thereon, give a morale boosting to the labour. Consequently, the rate of absenteeism can be greatly reduced.